



2009

## FAIR LABOR ASSOCIATION

### INDEPENDENT EXTERNAL MONITORING REPORT

**COMPANY:** Antigua Group  
**COUNTRY:** Vietnam  
**FACTORY CODE:** 670084453H  
**MONITOR:** One Step Viet Co., Ltd.  
**AUDIT DATE:** December 9-10, 2009  
**PRODUCTS:** Skirts, Dresses, Blouses, Shirts  
**PROCESSES:** Warehouse, Cutting, Sewing,  
Packing  
**NUMBER OF WORKERS:** 953

**Company Comment:** Antigua has elected not to continue to utilize [factory] as an active supplier of Antigua labeled product as of May 2010. The decision is the result of supplier performance analysis and production planning. The most compelling factors were (a) factory failed to meet our production standards for on-time delivery; (b) factory could no longer meet our price requirements and (c) the item being produced in this facility has been discontinued. We are changing product direction and have no suitable products planned that meet this factory's capabilities. Factory has agreed to conform to all standards of the Code of Conduct. CAP has been submitted to the FLA and supplier has agreed to all points and proceeded with implementation. Verification of supplier CAP and implementation is ongoing. The company will inform the FLA of updates on the supplier CAP upon clarification of supplier documentation. If after clarification of the CAP remediation, any critical issues are still present or not addressed, Antigua will request additional actions to complete Code compliance. If any FLA affiliated companies are utilizing this factory, Antigua will share this information. According to the factory, at the present time no other FLA affiliated company was utilizing this facility.



## CONTENTS:

Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses*	3
Wages, Benefits and Overtime Compensation: Deposit of Legally Mandated Deductions	3
Wages, Benefits and Overtime Compensation: Minimum Wage	5
Freedom of Association: Right to Freely Associate	6
Code Awareness:	7
Code Awareness:	8
Health and Safety: Evacuation Requirements and Procedure	9
Health and Safety: Personal Protective Equipment	10
Health and Safety: Chemical Management and Training	12
Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance	13
Health and Safety: Machinery Maintenance and Worker Training	14
Hours of Work: General Compliance Hours of Work	16
Hours of Work: Rest Day	18
Hours of Work: Protected Workers (Women and Young Workers)	19
Hours of Work: Overtime/Reduced Mandated Overtime	20
Hours of Work: Overtime/Calculation Over Period Longer Than One Week	21

\*Denotes a Notable Feature

### **Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses**

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

#### **Notable Feature**

**Explanation:** Besides a monthly wage, the factory also provides additional compensations to workers, such as Daily Attendance Allowance (VND 250,000), Holidays Allowance (VND 150,000) and Incentive Allowance for workers who have children ranging from 1 - 6 years old (VND 20,000 per child).

---

### **Wages, Benefits and Overtime Compensation: Deposit of Legally Mandated Deductions**

WBOT.13 All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc. The employer shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g., monthly deposits, weekly pay). If the law does not specify, then deposits shall be made before the next pay period in all cases. (S)

#### **Noncompliance**

**Explanation:** 1. Factory has not contributed the Social, Health and Unemployment Insurance for October and November 2009. Factory only contributed the Social, Health and Unemployment Insurance until September 2009 to the Government Social Fund for 791 workers.

Legal reference: According to the Vietnam Law on Social Insurance, Articles 134 and 138

2. From document review of the audit visit, it was noted that 5 out of 25 randomly selected workers (who had already signed Labor Contracts) were not covered with the Social, Health and Unemployment Insurance as required by law.

Legal reference: According to the Vietnam Labor Law, Article 141 - Point 1.

**Plan Of Action:** Factory is to first take corrective actions to ensure outstanding payments are made. Management will also need to enact a procedure whereby proper supervision is installed and payment records for matching deductions are kept updated as they occur. All payments are to be made in accordance with Articles 134 and 138, and the wage policy is to be updated to show the schedule for payments to be made for each pay period, matching deductions. Regarding legally mandated benefits for Social, Health and Unemployment Insurance Management to workers, the factory is to verify that all employees are receiving the benefit of Social, Health and Unemployment Insurance as mandated by Article 141.1 and/or their currently active labor contract. Management should also enact a procedure whereby regular audits of benefit status occur to ensure all eligible employees are receiving all benefits available, either through their contract or as legally mandated.

**Deadline Date:** 03/15/2010

**Supplier CAP:** "The factory paid Social, Health and Unemployment Insurance for all workers until quarter four of 2009."

[Employee name], Personnel Staff

**Supplier CAP Date:** 01/07/2010

**Action Taken:** Supplier provided evidence of corrections. Supporting documentation was submitted to the FLA. [Reference WBOT.13]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** No

**Plan Complete Date:**

## Wages, Benefits and Overtime Compensation: Minimum Wage

WBOT.2 Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher. (S)

### Noncompliance

**Explanation:** 1. From document review, it was noted that 2 out of 25 selected workers (who had already signed labor contracts) received only VND 777,000 - VND 791,000 which is lower than the region's minimum wage of VND 800,000. [As stipulated effectively on January 1, 2009 in accordance with Government Decree 110/2008/ND-CP.]

Legal reference: According to Government Decree 110/2008/ND-CP, dated on October 10, 2008.

2. From document review, it was noted that 2 out of 25 selected workers (who had already signed labor contracts) received only VND 777,000 - VND 791,000, which is lower than the negotiated wage mentioned as VND 1,160,000 in the labor contract.

**Plan Of Action:** Antigua requests further explanation from management as to why workers were underpaid. Further, the company requests that the back wages are paid ASAP. Pending review of detailed explanation, the company requests the factory management to enact a procedure for ongoing audits of wage calculation, to ensure no further occurrences. Copy of procedure requested.

**Deadline Date:** 03/15/2010

**Supplier CAP:** "The factory confirms that workers' basic salary is VND 1.160.000. Our personnel staff had been mistake in this issue. Please check the payroll and labor contract of 1 worker (name : [employee name])"

[Employee name], Personnel Staff

**Supplier CAP Date:** 03/04/2010

**Action Taken:** Supplier provided evidence of corrections. Supporting documentation was submitted to the FLA. [Reference WBOT.2-1, 2, 3, 4]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

Plan            No  
Complete:

Plan  
Complete  
Date:

---

### Freedom of Association: Right to Freely Associate

FOA.2 Workers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers. (S)

#### Noncompliance

**Explanation:** Vietnam-Specific FLA Comment: Vietnam has not ratified ILO Conventions 87 or 98. Under Vietnamese law, all unions are required to affiliate with the single trade union, the Vietnam General Confederation of Labor (VGCL), which is affiliated with the Communist Party. With respect to such union monopolies, the ILO Committee on Freedom of Association has stated that “the rights of workers to establish organizations of their own choosing implies . . . the effective possibility of forming . . . [trade unions] independent both of those which exist already and of any political party.” Vietnam's legal framework is therefore not compatible with the ILO Principles on Freedom of Association and, as such, all factories in Vietnam fail to comply with the FLA Code standard on Freedom of Association.

**Plan Of Action:** Antigua accepts FLA comment. Antigua will require the factory to employ the policy and practice of not discouraging FOA, and to allow employees to form truly independent unions. Antigua requests acknowledgment from the factory management of the stipulation of pending code compliance.

**Deadline Date:** 03/15/2010

**Action Taken:**

**Plan** No  
**Complete:**

**Plan**  
**Complete**  
**Date:**

---

### Code Awareness:

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

### Noncompliance

**Explanation:** The FLA-affiliated company has not provided a code of conduct (in the local language) for workers and managers, and has not undertaken efforts to educate employees about the standards on a regular basis.

**Plan Of Action:**

1. Antigua has provided the code in both English and the local language (Vietnamese), and mandated that both versions be posted in plain sight for all employees.
2. The company plans to verify the supplier's commitment to the code annually. The company also mandates in its verification that, along with posting the code, the supplier agrees to inform employees of its commitment to the code and to hold open fora for employees to raise any questions.

**Deadline** 02/23/2010  
**Date:**

**Supplier** Supplier has confirmed receipt of the code in both languages.  
**CAP:**

**Supplier CAP** 02/28/2010  
**Date:**

**Action** Supporting documentation was submitted to the FLA. [Reference GEN 2-1, 2]  
**Taken:**

Plan            No  
Complete:

Plan  
Complete  
Date:

---

### Code Awareness:

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

### Noncompliance

**Explanation:** The FLA-affiliated company has not established a secure communication channel so that employees can report back to them issues regarding noncompliance with code of conduct criteria.

**Plan Of Action:** Antigua is processing a communication channel for employees and will implement it within a year.

**Deadline Date:** 03/15/2010

**Supplier CAP:** NO CAP

**Supplier CAP Date:**

**Action Taken:** No further action to be taken.

Plan            No  
Complete:



Plan  
Complete  
Date:

---

### Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

#### Noncompliance

**Explanation:** 1. It was observed that several fire extinguishers in the fabric warehouse and on the production floors (cutting, buttoning sections) were blocked.

Law reference: In accordance with Decree No. 35/2003/ND-CP, dated April 4, 2003.

2. It was observed from the factory tour:

2a. 1 exit door was obstructed by a carton box at the finished goods warehouse

2b. Several evacuation passages were obstructed by the fabric component in the cutting section.

Legal reference: In accordance with Vietnam National Standard No. 7435-1:2004 PCCC, Item 5.2

**Plan Of Action:** Antigua requests the factory to immediately clear any and all obstructions of emergency exits. Additionally, all floor areas directly in front of safety equipment should be marked and held clear from obstruction. Upon completion, the company requests documented proof of floor markings for both safety equipment and emergency exit passageways. Further, Antigua also requests management to appoint one Safety Officer per shift from the regular staff, who would monitor and train workers on safety codes. This employee shall be made aware of all safety regulations and should be provided training.

**Deadline Date:** 03/01/2010

**Supplier CAP:** "The factory made all fire extinguishers clearly [removed blockage from exit ways and cleared obstruction form fire extinguishers]. We set up the Health and Safety team, including: Security, personnel staff and factory leader, this team will check all sections in working day and report directly to the factory manager."

[Employee name], Chief of Security

**Supplier CAP Date:** 12/31/2009

**Action Taken:** Supplier provided photo evidence of corrections. Supporting photo documentation was submitted to the FLA. [Reference HS 9, HS 9-2 (Exit ways) HS 9-3, HS 9-4 (Fire extinguishers)]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** No

**Plan Complete Date:**

### Health and Safety: Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

#### Noncompliance

**Explanation:** It was observed that some workers on the production floors (sewing, ironing sections) did not wear slippers/shoes while operating machinery. This practice could be an electrical safety risk for workers.

**Plan Of Action:** Antigua requests the immediate posting and enforcement of the dress code to ensure safety for all workers, detailing the minimum allowable wardrobe for employees, including appropriate footwear. Company requests copy of policy and evidence of posting.

**Deadline** 03/15/2010

**Date:**

**Supplier** "The factory supply slippers and mattress to all workers."

**CAP:** [Employee name,] Personnel Manager

**Supplier CAP** 12/31/2009

**Date:**

**Action** Supplier provided photo evidence of corrections. Supporting photo documentation was  
**Taken:** submitted to the FLA. [Reference HS 11]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan** No

**Complete:**

**Plan**  
**Complete**

**Date:**

---

## Health and Safety: Chemical Management and Training

H&S.13 All chemicals and hazardous substances shall be properly labeled and stored in accordance with applicable laws. Labels shall be placed in the local language and the language(s) spoken by workers, if different from the local language. Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances. (S)

### Noncompliance

**Explanation:** 1a. No secondary container was provided at the machine oil storage areas; some oil leaked on the floor and to the drain.

1b. No label was marked on the acetone bottles.

2. It was noted that unused glasses were placed in the same areas as regular waste, fabric, paper and plastic wastes, which were not classified from the sources and stored together in waste storage.

Legal reference: In accordance with 59/2007/Nã – CP, On solid waste management, Article 19, source separation of solid waste.

**Plan Of Action:** Antigua requests the immediate review of all chemical storage and waste areas for violations, and that direct action be taken to restore all areas to meet all local laws. Further, Antigua also requests that management ensures that one member of management staff is fully trained in handling hazardous materials and waste; and in implementing policy and procedure for the same materials, in the event that no such staff member exists. Hazardous materials laws and policies to be posted in all areas where they are used or stored.

**Deadline Date:** 03/15/2010

**Supplier CAP:** "We built the second container below the oil tank and put sand in to the container to avoid the oil leaking out to the floor."

[Employee name], Service Engineer

**Supplier CAP Date:**

**Action Taken:** Supplier provided photo evidence of corrections. Supporting photo documentation was submitted to the FLA. [Reference HS 13 CHEMICAL-1, 2 AND HS 13 HAZARDOUS-1, 2]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** Yes

**Plan Complete Date:**

---

### Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

#### Noncompliance

**Explanation:** It was observed that several electric control panels did not have safety covers; several electric connections were not protected.

Legal reference: According to the Government Decision 35/2003/ND-CP, dated on April 4, 2003.

**Plan Of Action:** Antigua requests factory management to immediately address this issue and correct all occurrences of unprotected electrical panels and/or connections. Further, Antigua also requests management to appoint one Safety Officer per shift from the regular staff to monitor and train workers on safety codes. This employee shall be made aware of all safety regulations and should be provided training.

**Deadline Date:** 03/01/2010

**Supplier CAP:** "Renew the electric control panels at sewing area, chief of service engineer, [employee name], must check all electric items weekly."

[Employee name], Service Engineer

**Supplier CAP**

**Date:**

**Action Taken:** Supplier provided photo evidence of corrections. Supporting photo documentation was submitted to the FLA. [Reference HS 17-1, 2]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** No

**Plan Complete Date:**

**Health and Safety: Machinery Maintenance and Worker Training**

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

**Noncompliance**

**Explanation:** From the factory tour observation, it was noted that approximately 40% of the sewing machines (in sewing workshops 1 and 2) did not have needle guards installed. Besides, 5 buttoning machines have no pulley guards installed.

**Plan Of Action:** Antigua requests factory management for immediate assessment of all machinery, to identify any safety equipment not installed, missing or not functioning. Upon review of assessment, Antigua requests a timeline for installation or repair to all missing or non-functioning safety devices. Antigua further requests a description of safety inspection procedures designed to maintain equipment to appropriate operation safety standards.

**Deadline** 03/15/2010  
**Date:**

**Supplier** "We supply all safe equipments to all machines, but workers have not used, they said  
**CAP:** that it was so hard to them for sewing, so they did not use. The Health and Safety team  
must check all machines and ask workers to use the safe equipments for their safe."

[Employee name], Chief of Engineer Machine

**Supplier CAP** 12/31/2009  
**Date:**

**Action** Supplier provided photo evidence of corrections. Supporting photo documentation was  
**Taken:** submitted to the FLA. [Reference HS 18-1, 2]

Further company verification could not be achieved as Antigua is no longer sourcing  
from this factory.

**Plan** No  
**Complete:**

**Plan**  
**Complete**  
**Date:**

---

## Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

### Noncompliance

**Explanation:** 1. From payroll and time records review of 35 randomly selected workers, it was noted that 9 pregnant workers (who had reached their 7th month of pregnancy) worked from 6.75 - 55 OT hours per month in November 2009.

Legal reference: According to Article 115, Vietnam Labor Law - 1

2. From payrolls and attendance records (during January to November 2009) review, it was noted that the daily overtime hours of 25 out of 35 randomly selected workers was:

2a. Sewing workers worked from 04:30pm to 22:00pm (4.5 - 6 hours approximately) on October 9, 2009.

2b. Buttoning workers worked from 4:30pm August 28 until 02:00am August 29, 2009. (Up to 9.5 hours approximately). This excessive daily overtime finding was also found the same in September and October 2009 as well.

3. It was noted that 5 randomly selected workers (from the sewing line and the finishing section) worked from 326.5 - 552.75 hours overtime from January to November 2009 (11 months). Total overtime hours exceeded the 300 hours per year law requirement.

Legal reference: In accordance with Vietnam Labor Law, Article 69.

**Plan Of Action:** Antigua requests management to address this practice immediately and to enact procedures that provide supervision to workers' schedules and accurately assess overtime hours for all employees. These procedures should specifically call out policy-enforcing overtime limits for daily, weekly, annual, pregnant workers along with any and all additional sub-categories of protected worker classifications. Law mandates separate limits for these workers from the 4 hour daily and 300 hour annual limits in accordance to Article 115, Vietnam Labor Law - 1.

**Deadline Date:** 03/15/2010



**Supplier CAP:** "In 2009, the world economy was moved down, so the factory have a little orders, so that workers move out for another job, we are lack of labor, so at that time our shipment schedule is very tight, so some workers must work overtime so much. The factory management is sure that in 2010, we control the shipment schedule clearly, so we do not work over 60 hours/per week. Please check the overtime in attached time cards photo."

[Employee name], Production Manager

**Supplier CAP** 12/31/2009

**Date:**

**Action Taken:** Supplier provided evidence of corrections. Supporting documentation was submitted to the FLA. [Reference HOW 1 and 4]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** No

**Plan Complete Date:**

---

## Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

### Noncompliance

**Explanation:** From payrolls and attendance records (from January to November 2009) review, it was noted that 25 out of 35 selected workers worked 1 - 4 Sundays during the months January, February, September, October and November in 2009. Example: Finishing workers worked consecutively from September 26, 2009 until October 25, 2009 without rest days.

Legal reference: In accordance with Vietnam Labor Law, Article 72.

**Plan Of Action:** Antigua requests management addresses this practice immediately and enacts a procedure that provides supervision to workers' schedules and accurately assesses rest days (days off) to ensure that all workers receive the mandatory rest day in each 7 day work period.

**Deadline Date:** 03/15/2010

**Supplier CAP:** "The factory management confirms that all employees must have at least 1 day off per week."

[Employee name], Production Manager

**Supplier CAP Date:** 12/22/2009

**Action Taken:** Supplier provided evidence of corrections. Supporting documentation was submitted to the FLA. [Reference HOW 2]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** No

**Plan Complete Date:**

## Hours of Work: Protected Workers (Women and Young Workers)

HOW.4 The factory shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18. (S)

### Noncompliance

**Explanation:** From payroll and time records review of 35 randomly selected workers, it was noted that 9 pregnant workers (who had reached their 7th month of pregnancy) worked from 6.75 - 55 OT hours per week in November 2009.

Legal reference: According to Article 115, Vietnam Labor Law: 1.

**Plan Of Action:** Antigua requests management to address this practice immediately and to enact a procedure that provides supervision to workers' schedules and accurately assesses overtime hours for all employees. This procedure should specifically call out policy enforcing overtime limits for daily, weekly, annual and pregnant workers along with any and all additional sub-categories of the protected worker classifications. Law mandates these workers separate limits from the 4 hour daily and 300 hour annual limits in accordance to Article 115, Vietnam Labor Law - 1.

**Deadline Date:** 03/15/2010

**Supplier CAP:** "We have informed to all workers and leaders that pregnant workers (over 7th month) and workers who is nursing a child under 1 year only work 7 hours/per day with full wage (8 hours)."

**Supplier CAP Date:** 12/31/2009

**Action Taken:** Supplier provided photo evidence of corrections. Supporting photo documentation was submitted to the FLA. [Reference HOW 1 and 4]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** No

**Plan Complete Date:**

## Hours of Work: Overtime/Reduced Mandated Overtime

HOW.8 The employer shall demonstrate a commitment to reduce overtime and to enact a voluntary overtime system, including for overtime mandated to meet extraordinary business circumstances. (P)

### Noncompliance

**Explanation:** Workers do not freely leave the factory when overtime occurs. Workers have to send a written application for leave to their manager for approval when they do not want to work overtime. As the Production Manager explained, the factory did not realize that the practice led to misunderstanding, and they will stop doing this immediately.

**Plan Of Action:** Antigua acknowledges the auditor addressed this with factory management, who advised the practice would stop immediately. Antigua requests factory management to produce documentation of the ceasing of the practice, i.e., a directive to supervisors to eliminate policy. Additionally, Antigua suggests the factory produces policy and procedure for scheduling work shifts in 2 segments, regular shifts and overtime shifts. By doing this, management can assess the labor hours needed to complete orders using the labor force in accordance with all Vietnamese Labor Laws. Policy should mandate workers are to select available overtime shifts and that management takes responsibility for ensuring no employees work more than the legally mandated overtime limits. This should be addressed in conjunction with the CAP for non-compliance to Code Provisions HOW.1, 2, 3, 4, 8 and 10.

**Deadline Date:** 03/15/2010

**Supplier CAP:** "The factory issue the policy that all employees can decide their overtime hours, nobody can control or force their overtime hours. The policy must be posted in workshop and announced by loud speaker to all."

[Employee name], Production Manager

**Supplier CAP Date:** 12/31/2009

**Action Taken:** Supplier provided photo evidence of corrections. Supporting photo documentation was submitted to the FLA. [Reference HOW 1 and 4, HOW 8]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

Plan            No  
Complete:

Plan  
Complete  
Date:

---

### Hours of Work: Overtime/Calculation Over Period Longer Than One Week

HOW.10. Employers are allowed to calculate normal hours of work as an average over a period of longer than one week where local laws, regulations and procedures provide for such a possibility but only when all formal and procedural requirements attached to such calculation (for instance, obtaining official permission from the relevant authorities or limits to the period during which such calculations can be made) are met. The basis for such calculation shall, however, remain at all times the lesser of 48 hours per week or legal limits on hours of work in the country of manufacture or, where such legal limits do not exist, the regular work week in such country. (S)

### Noncompliance

**Explanation:** It was noted that 25 out of 35 selected workers worked 65 - 90 hours (including normal work and OT hours) a week from January to November 2009, especially buttoning workers.

**Plan Of Action:** Antigua requests enactment and/or enforcement of a policy limiting regular work hours to 48 hours per week and overtime to 12 hours per week, per acceptance of the code of conduct provided to factory management. Enactment of requested updates to policies in CAP for Code Provision HOW.1 General Compliance Hour of Work and HOW.8 should correct this issue. Antigua will work with factory management to provide a long-term planning scenario to assist in scheduling production and reducing the effects of peak season.

**Deadline Date:** 03/15/2010

**Supplier CAP:** "In 2009, the world economy was moved down, so the factory have a little orders, so that workers move out for another job, we are lack of labor, so at that time our shipment schedule is very tight, so some workers must work overtime so much. The factory management is sure that in 2010, we control the shipment schedule clearly, so we do not work over 60 hours/per week. Please check the overtime in attached time cards photo."

[Employee name], Production Manager

**Supplier CAP** 12/22/2009

**Date:**

**Action Taken:** Supplier provided photo evidence of corrections. Supporting photo documentation was submitted to the FLA. [Reference HOW 1 and 4, HOW 10]

Further company verification could not be achieved as Antigua is no longer sourcing from this factory.

**Plan Complete:** No

**Plan Complete Date:**

---